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ANNUAL REPORT 1951

General Shoe

CORPORATION

GENERAL SHOE CORPORATION

1951

Annual Report

NASHVILLE, TENNESSEE, U. S. A.

Told in Brief...

	YEAR ENDED OCTOBER 31 1951	1950
Total Volume of Business	$128,284,627	$105,314,604
Net Sales Less Inter-Branch Business	103,238,890	84,441,016
Net Earnings	3,570,939	3,896,715
Earnings Per Share	4.50	5.04
Percent of Net Earnings to Net Sales	3.46	4.61
Dividends Per Share of Common Stock	2.50	2.50
Net Worth	25,243,208	23,233,487

Record Volume

The twelve months ending October 31, 1951, produced the largest volume in the history of our Company. This large increase was due to a number of special factors. We have had a considerable volume of military business, average prices of our shoes have been higher than during the previous year, and we have benefited from the acquisition of other companies.

Due to large purchases by retailers in the Fall of 1950, retail inventories throughout the country have been quite heavy. Because of this extra buying, plus the efforts of manufacturers to cover in advance their raw material requirements, hide and leather prices advanced very rapidly during the early part of this fiscal year. This forced shoe prices to a level out of proportion with consumer income. During the last six months that has tended to reduce the number of pairs of shoes that have been sold in the United States.

We are glad to say now that the shoe industry is in a much healthier condition, with shoe prices very nearly in balance with the increases in consumer income. Also, inventories—both of finished goods and raw materials—have been put in good position. Business during the months ahead should be on an active basis, with normal conditions prevailing.

Earnings and Dividends

Earnings before taxes were larger than during the previous year, but due to the very high tax rates, net after taxes is lower. During the year we paid our seventy-seventh consecutive dividend, and the rate this year was $2.50. This is the fifth consecutive year in which the rate has been $2.50. The earnings amply covered this, together with requirements on the preferred and preference stocks.

Net earnings of the company were benefited by certain tax advantages. The earnings of the W. L. Douglas Shoe Company were not subject to income taxes due to prior losses of this company. Also the company received a refund of excess profits taxes for prior years.

It is expected that some of these tax advantages will continue during the year ahead. However, tax rates under the present law are on a very much higher basis than during the past year. In spite of this, we anticipate that we can continue our present dividend rate, although developments each year must be the determining factor. During the past five years dividends have averaged about 66% of net earnings. As our

Company continues to grow, it is desirable to retain a portion of the earnings for capital requirements.

You will see on our balance sheet that we have considerably more cash than our total current liabilities. The increase in volume tends to use more capital but our controls are such that we can keep our operations on a liquid basis.

As mentioned in our last annual report, arrangements were made to refinance our long term loan on a very favorable basis. The interest rate is 2.9% and payments beginning in 1954 extend to 1970.

New Acquisitions

In February of this year, our Company acquired on a stock exchange basis the Nisley Shoe Company of Columbus, Ohio. This consisted of a chain of forty-four retail stores selling women's shoes in the medium price range. The operation has proved to be very desirable, and we expect to continue showing further progress in the years ahead.

In August, our Company acquired for cash all of the capital stock of the Johnston & Murphy Company of Newark, New Jersey. Johnston & Murphy

$128,284,627 of Business... How Expended

Total volume of business	$128,284,627	
Less value of products made in one division for use in another division	25,045,737	
Value of products sold to customers	$103,238,890	100.0
This amount was used as follows:		
Cost of leather, other materials, products and services from outside suppliers	64,494,465	62.4
Wages of employees	28,786,243	27.9
Discounts and allowances to customers	833,392	.8
Wear allowance on machinery, equipment and buildings	933,550	.9
Taxes paid	4,211,957	4.1
Interest paid on borrowed money	408,344	.4
Expense of capital used—dividends	2,060,010	2.0
Additional equipment purchased	418,386	.4
Balance to pay off debt and for growth	1,092,543	1.1
	$103,238,890	100.0
Amount of earnings as a per cent of volume	2.78%	
Amount earned per share of common stock	$ 4.50	

has been in business for 101 years and is famous for J & M shoes which have been generally recognized as the best men's shoes manufactured. These shoes are in the top grade, ranging in price from $27.50 retail to $75.00 retail.

This is a relatively small operation, but it has the most select retail accounts in the United States. We plan to continue this operation at Newark, New Jersey, as a separate company and with the same high standards of quality, workmanship and design. We consider this to be very desirable property that will increase in value to our Company in the years ahead.

The W. L. Douglas operation which was purchased in 1950 continues to be operated in a very satisfactory way. We are remodeling some of the stores and generally improving the efficiency of the whole operation.

New Manufacturing Developments

A development in the industry that has been growing is the production of casual footwear with canvas uppers and vulcanized rubber soles. After surveying the field generally, our Company decided to open up a plant to manufacture such shoes, and this work is rapidly moving forward. The plant will be located in Nashville, and it is expected to start production by December 15.

We are also just about to complete a new plant at Danville, Kentucky. We have had a small operation there for the manufacture of women's shoes, and this new, large, efficient plant will give us many more facilities. This building is on a long term, low cost lease.

During the past year we have had constructed and moved into a large warehouse, distributing and processing building at Fayetteville, Tennessee. This is centrally located for many of our plants, and will provide for more economical handling of materials and distribution of finished shoes. This building is also on a long term, low cost lease.

During the past year, in addition to the operation of our own tannery at Whitehall, Michigan, we have increased our tanning operations on a contract basis with three established tanners. These are in the field of both upper and sole leather. This has been a constructive development, both from the standpoint of quality and profitable operation.

The use of plastic materials for certain types of shoes has continued to increase throughout the year, but leather is and will continue to be the most important item of material for shoes. Hides and skins are a by-product of the meat industry. Therefore they are going to be produced and sold at the best price that the market will permit. While we are very sizeable users of the new materials, we also believe that leather has a very solid place in the future.

Factors Affecting the Future

We consider our inventories to be on a normal basis. Our inventories are priced at cost or market, whichever is lower. Our future commitments for raw materials we consider to be somewhat below normal. This means that we are in a position to take advantage of any attractive purchases that can be made. We have continued our intensive quality drive throughout the year, and we are proud to say that in every plant our specific standards are being met and maintained. We have a very effective quality control program that is producing good results.

We have increased the productivity in all of our plants during the past year. Wages have been increased during the year, due to increases in the cost of living. However, due to the increased productivity, our costs have not increased as much and our workers are increasing their income at a greater rate than would be the case otherwise.

Total military purchases by the government during 1951, from the entire shoe industry, will be about 22,000,000 pairs. It is expected that only about half that many will be bought during 1952. Our estimate is that our own production of military shoes will be reduced by even a larger percentage, as there are plenty of sources of supply for the government, and we would much prefer to concentrate on civilian business.

As a contribution to the Employees' Retirement Fund, the Company transferred the title on two manufacturing plants to the Fund. These buildings had an appraised value of $410,000 and book value of $113,923. The buildings are leased by the Company from the Employees' Retirement Fund.

During the past year, Sam Buchanan, our director of Industrial Relations, was elected to membership on the Board of Directors.

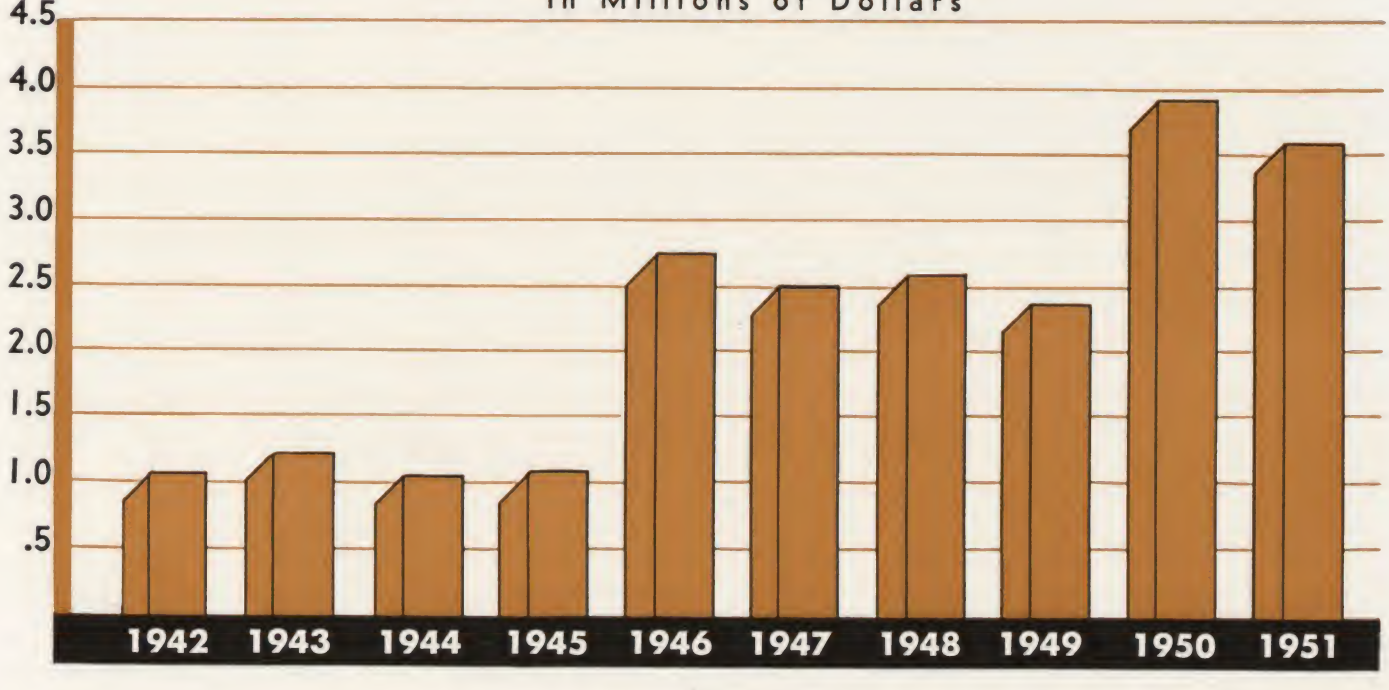
In our opinion the outlook, as far as volume is concerned, is good for the months ahead. In spite of the high tax rates we feel that operations can be reasonably satisfactory.

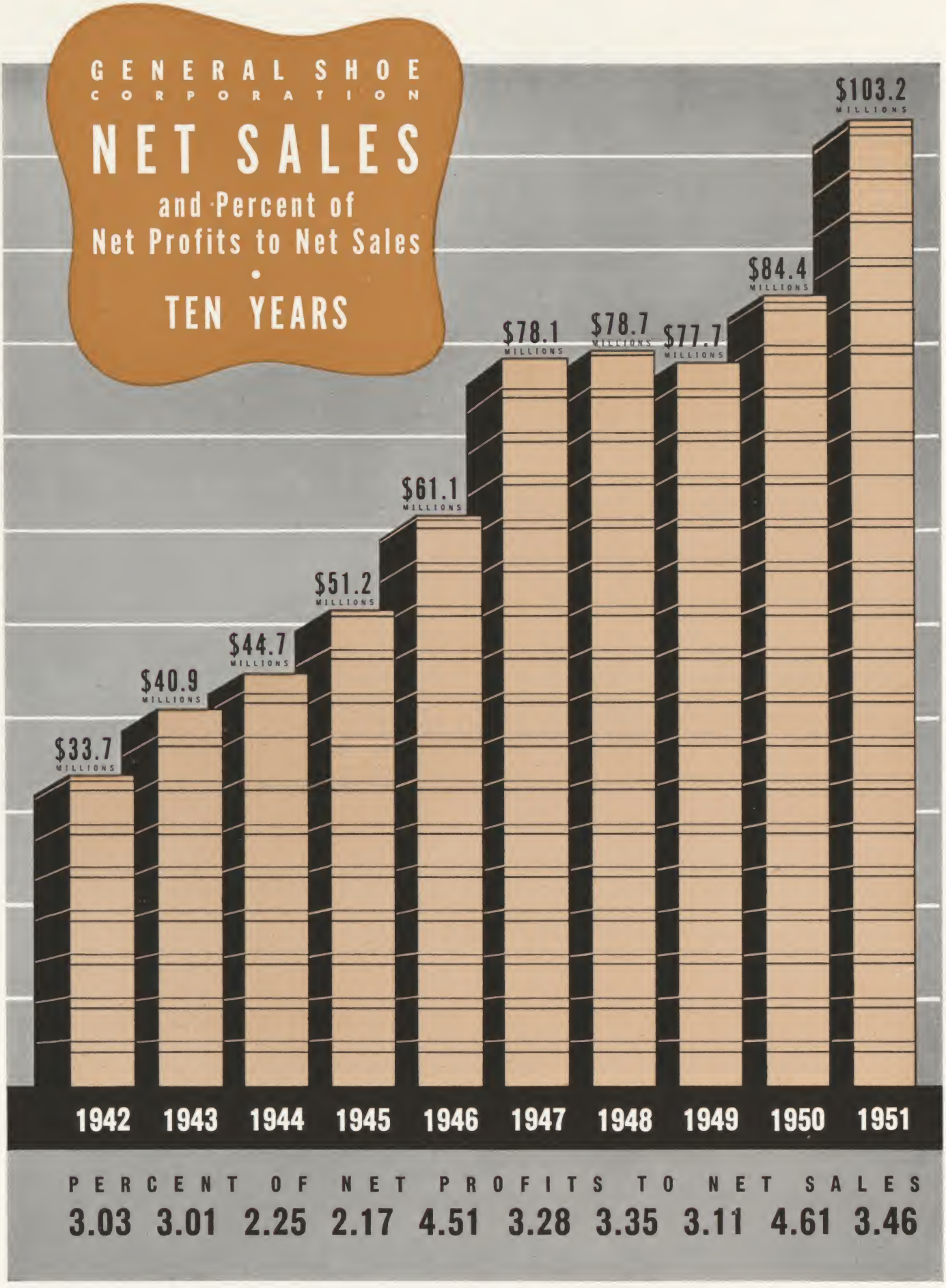
Chairman

President

Earnings After Income Taxes

In Millions of Dollars




GENERAL SHOE CORPORATION
NET SALES
and Percent of Net Profits to Net Sales
TEN YEARS
$33.7 MILLIONS
$40.9 MILLIONS
$44.7 MILLIONS
$51.2 MILLIONS
$61.1 MILLIONS
$78.1 MILLIONS
$78.7 MILLIONS
$77.7 MILLIONS
$84.4 MILLIONS
$103.2 MILLIONS
1942 1943 1944 1945 1946 1947 1948 1949 1950 1951
PERCENT OF NET PROFITS TO NET SALES
3.03 3.01 2.25 2.17 4.51 3.28 3.35 3.11 4.61 3.46

General Shoe Corporation

Consolidated Balance Sheet . . .

	As of October 31 1951	1950
Assets		
Currents Assets:		
Cash	$ 8,138,086	$ 5,532,971
Accounts receivable, less provision for bad debts and discounts	9,587,509	9,289,379
		——
Inventories:		
Finished products and work in process—at approximate cost	10,176,679	8,824,038
Raw materials and special merchandise—at lower of cost or market	6,531,467	5,855,435
	16,708,146	14,679,473
	34,433,741	29,501,823
Investments—at cost, less reserve	231,046	190,046
Officers' and Employees' Stock Purchase Accounts—secured	569,482	990,138
Plant, Equipment, and Leasehold Improvements—at cost	9,335,605	7,287,769
Less—Depreciation and Amortization	3,959,509	2,789,446
	5,376,096	4,498,323
Goodwill, Patents, and Trade Marks	1	1
Deferred Charges to Future Operations	149,909	
	$ 40,760,275	$ 35,180,331
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	$ 1,851,291	$ 1,877,950
Provision for taxes on income	3,473,000	2,391,000
	5,324,291	4,268,950
2.9% Promissory Notes—payable from May 1, 1954 (maximum annual installments $700,000)	10,000,000	——
3⅛% Promissory Notes—refinanced November 1, 1950	—	7,472,048
Reserve for Contingencies and Self-Insured Risks	192,776	205,846
Stockholders Equity—restricted except as to $4,994,049 in 1951, $3,000,000 in 1950:		
$3.50 cumulative preference stock without par value. Authorized 50,000 shares, outstanding 44,327 and 45,444 shares, 1951 and 1950	4,432,700	4,544,400
Preferred stock without par value callable at $7.50 per share (40c per annum cumulative). Authorized and outstanding 99,260 shares	496,300	496,300
Common stock, par value $1 per share. Authorized 1,200,000 shares; outstanding (less 1418 and 1826 shares in treasury) 749,263 and 733,790 shares, 1951 and 1950	749,263	733,790
Additional paid-in capital	8,230,473	7,635,454
Earnings retained in business	11,334,472	9,823,543
	25,243,208	23,233,487
	$ 40,760,275	$ 35,180,331

and Consolidated Subsidiaries

Statement of Consolidated Earnings . . .

(Including operations of The Nisley Company and Johnston & Murphy since acquisition during 1951)

	Years Ended October 31 1951	1950
Net Sales	$103,238,890	$ 84,441,016
Other income	1,426,778	837,198
	104,665,668	85,278,214
Cost of sales, selling, administrative, and general expenses (depreciation, amortization, lasts, dies, and patterns $1,470,105 and $1,253,112, 1951 and 1950)	96,791,174	77,538,869
Contribution to employees retirement fund	113,923	250,000
Interest paid on promissory notes	290,000	233,501
Other charges	945,632	982,129
Provision for taxes on income	2,954,000	2,377,000
	101,094,729	81,381,499
Net Earnings for Year	$ 3,570,939	$ 3,896,715

Statement of Consolidated Additional Paid-In Capital

Amount at beginning of year	$ 7,635,454	$ 6,390,415
Amount realized through sale and purchase of preference and common shares.	594,362	18,178
Amount arising through acquisition of W. L. Douglas Shoe Company	657	1,226,861
Amount at end of year	$ 8,230,473	$ 7,635,454

Statement of Consolidated Earnings Retained In Business

Amount at beginning of year	$ 9,823,543	$ 7,905,327
Net earnings for year	3,570,939	3,896,715
	13,394,482	11,802,042
Dividends:		
Preference stock	156,789	160,994
Preferred stock	39,704	39,704
Common stock	1,863,517	1,777,801
	2,060,010	1,978,499
Amount at end of year	$ 11,334,472	$ 9,823,543

Accountants' Report:

Peat, Marwick, Mitchell & Co.

CERTIFIED PUBLIC ACCOUNTANTS

7 North Seventh Street • St. Louis 1, Mo.

To the Board of Directors, General Shoe Corporation · Nashville, Tennessee.

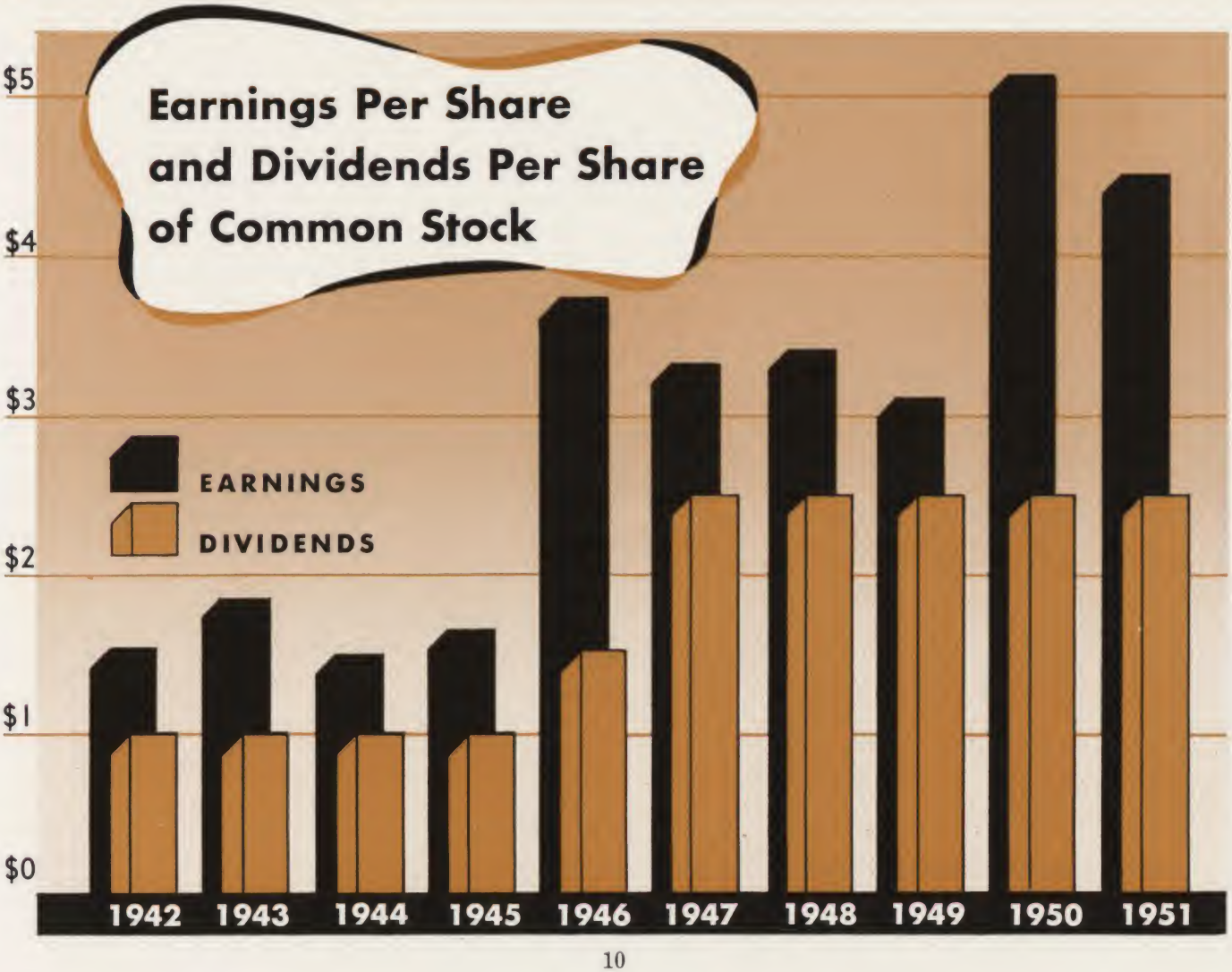
We have examined the consolidated balance sheet of General Shoe Corporation and its consolidated subsidiaries as of October 31, 1951 and the related statements of earnings, additional paid-in capital, and earnings retained in business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The companies operate at various locations under long term leases, the major portion of which expire successively to 1964. Minimum annual rentals on leases expiring after October 31, 1954 aggregate $2,419,000.

In our opinion, the accompanying balance sheet and statements of earnings, additional paid-in capital, and earnings retained in business with the foregoing explanation present fairly the financial position of General Shoe Corporation and its consolidated subsidiaries at October 31, 1951, and the results of their operations for the year then ended, including The Nisley Company and Johnston & Murphy since acquisition during 1951, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. Louis, Missouri
November 23, 1951

Peat, Marwick, Mitchell & Co.



15 Year *Comparison of Operations*

	Total Volume of Business	Net Sales Less Inter-Branch Business	Income Taxes	Net Earnings	Per Cent of Net Earnings to Net Sales	Earnings Per Share Common Stock	Dividends Per Share Common Stock
1937	$15,479,403	$14,039,436	$242,000	$158,252	5.40	$1.54	$1.14
1938	15,039,954	13,257,663	99,200	647,670	4.89	1.27	.85
1939	18,252,215	16,581,537	215,500	927,194	5.59	1.41	1.05
1940	20,063,446	17,462,085	159,300	752,317	4.31	1.14	1.00
1941	28,703,862	23,729,198	509,700	1,064,151	4.48	1.63	0.90
1942	39,949,226	33,738,749	2,148,400	1,023,373	3.03	1.57	1.00
1943	48,990,794	40,886,381	2,936,700	1,229,136	3.01	1.90	1.00
1944	53,474,786	44,716,808	3,002,650	1,007,411	2.25	1.54	1.00
1945	61,122,583	51,177,677	3,174,200	1,110,749	2.17	1.71	1.00
1946	75,367,861	61,133,798	2,207,123	2,755,372	4.51	3.76	1.60
1947	97,248,511	78,142,458	1,937,792	2,566,500	3.28	3.34	2.50
1948	99,580,268	78,682,562	1,544,689	2,639,762	3.35	3.45	2.50
1949	96,066,589	77,694,162	1,521,000	2,416,379	3.11	3.14	2.50
1950	105,314,604	84,441,016	2,377,000	3,896,715	4.61	5.04	2.50
1951	128,284,627	103,238,890	2,954,000	3,570,939	3.46	4.50	2.50

	Book Value Per Share Common Stock	Outstanding Shares Common Stock	Depreciation and Amortization	Earnings Reinvested in Business Development	Current Assets	Current Liabilities	Net Worth
1937	$ 8.62	467,384	$149,273	$207,340	$4,040,728	$566,670	$4,523,945
1938	9.16	479,388	188,627	203,673	4,288,272	466,905	4,887,024
1939	10.60	628,013	217,986	266,137	6,468,624	510,000	7,154,253
1940	10.75	627,716	267,263	84,337	6,592,176	450,691	7,243,137
1941	11.49	626,671	326,508	460,270	7,380,109	880,885	7,693,942
1942	12.05	627,173	561,695	356,614	10,281,900	876,851	8,054,660
1943	12.95	627,391	308,735	562,039	10,654,807	973,238	8,618,858
1944	13.46	627,391	348,333	340,315	10,570,155	1,073,386	8,939,322
1945	14.16	627,391	401,921	443,654	14,363,699	1,485,880	9,382,976
1946	18.74	704,321	547,675	1,560,922	17,723,628	1,309,947	18,692,768
1947	19.62	704,918	883,900	593,235	18,146,404	2,143,718	19,225,654
1948	20.61	705,132	1,146,767	669,562	24,580,470	1,847,178	19,749,974
1949	21.27	705,409	1,016,788	448,858	25,413,805	2,694,871	20,155,651
1950	24.79	733,790	1,253,112	1,918,216	29,501,823	4,268,950	23,233,487
1951	27.11	749,263	1,470,105	1,510,929	34,433,741	5,324,291	25,243,208

The General Shoe Office Building
in Nashville, Tennessee

General Shoe, Manufacturing in Six States,

Sells Its Products and Services World-Wide

GENERAL SHOE is a decentralized company having its roots down in twenty American communities.

There we make men's, women's and children's shoes, tan leather and perform other operations akin to our business.

If you consider the dealers who sell our shoes, and the people who own our company, these roots spread out to every state, to every American city, to hundreds of smaller American communities.

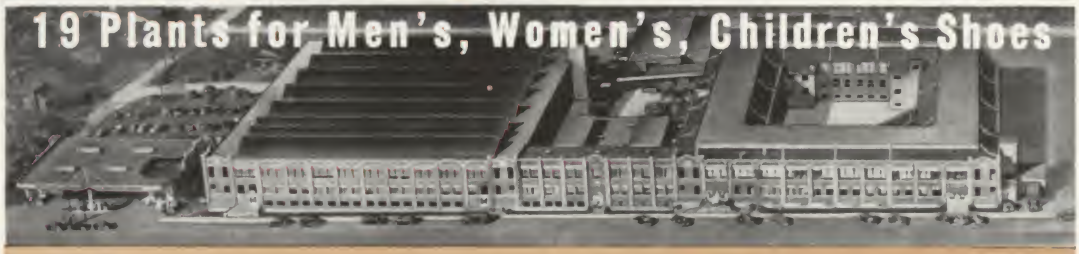
To go a step further, millions of Americans figure in this annual report of General Shoe, because these millions wear our shoes.

Finally, General Shoe is part of the world scene. We manufacture and sell shoes in association with foreign interests in Mexico, Peru, Israel, England, Canada, Austria and New Zealand. We export shoes and other products to twenty-five countries.

This, therefore, is a look at our company at the end of 1951, twenty-seven years after it began in a small Nashville plant where 120 men and women made 240 pairs of shoes on opening day.

Manufacturing . . .

19 Plants for Men's, Women's, Children's Shoes



JARMAN SHOES, the brand name with which we started our company, are made in this plant at Nashville.

Typical men and women members of our manufacturing organization in the Jarman plant at Nashville.

The "picture that's worth a thousand words" in showing the craftsmanship that has made J. & M. shoes the best in the quality field.

Location of Our Plants Making Men's and Boys' Shoes

Nashville, Tenn.

Gallatin, Tenn. (2 Plants)

Tullahoma, Tenn.

Pulaski, Tenn.

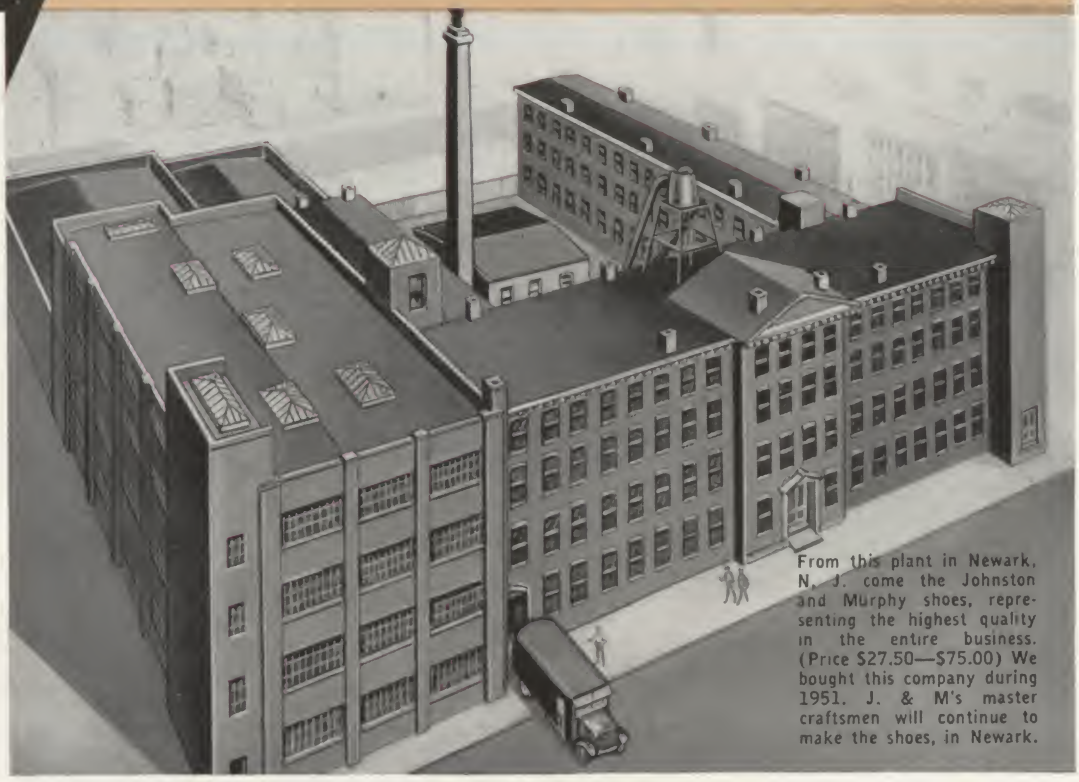
Waynesboro, Tenn.

Lewisburg, Tenn.

Atlanta, Ga. (Boys' shoes)

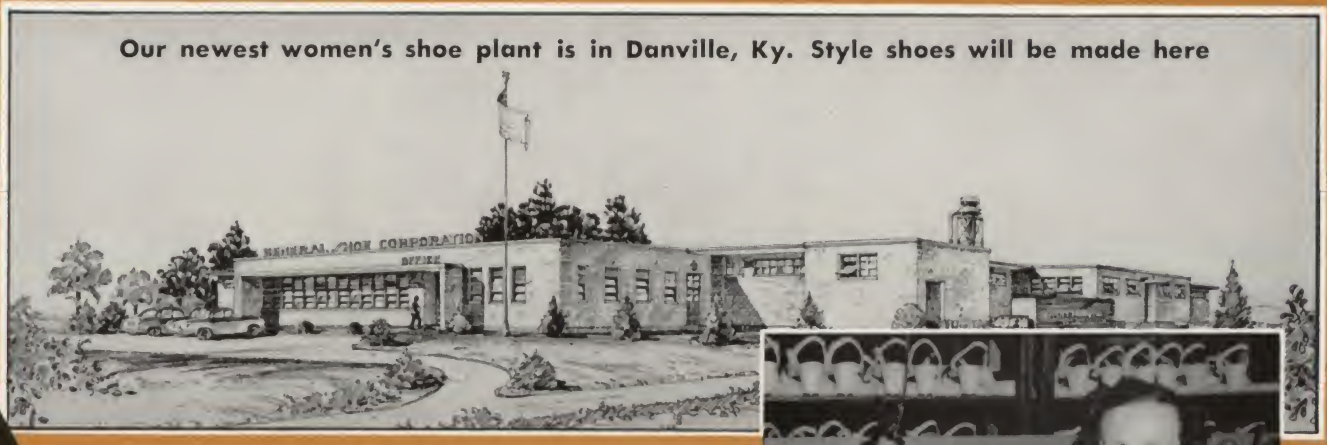
Huntsville, Ala. (2 Plants)

Newark, N. J.



From this plant in Newark, N. J. come the Johnston and Murphy shoes, representing the highest quality in the entire business. (Price $27.50—$75.00) We bought this company during 1951. J. & M's master craftsmen will continue to make the shoes, in Newark.

Our newest women's shoe plant is in Danville, Ky. Style shoes will be made here



General Shoe Now Ranks as 7th Largest Manufacturer of Women's Shoes in the Nation

WOMEN'S SHOE PLANTS

Nashville, Tenn.
Danville, Ky.
Frankfort, Ky.
McMinnville, Tenn.
Cowan, Tenn.
Lawrenceville, Ga.

Making women's style shoes in one of our six plants.

One of our four plants for making children's shoes . . . Camden, Tenn.

CHILDREN'S SHOE PLANTS

Camden, Tennessee
Centerville, Tennessee
Hohenwald, Tennessee
Carrollton, Georgia

Nationally-known shoes for juveniles are being made in this scene.

Other Manufacturing . . .

TANNERY UPPER LEATHER getting ready for a drying process in our tannery at Whitehall, Michigan.

Tanning Leather Although much of the upper leather used in our shoes comes from numerous other suppliers, we operate an upper leather tannery at Whitehall, Michigan. It has a capacity of 1400 sides per day. We also tan upper and sole leather on contract with other companies.

Making Ladies' Handbags Our Marman Bag Company manufactures ladies' handbags. It is a steadily growing business.

Cutting Leather Soles Synthetics and rubber make up a sizable percentage of the soles used in shoes, but leather soles are still in greater demand. Our own Southern Sole Company cuts most of the leather soles and many of the synthetics used in our own shoes. It also makes heels, counters and other items used in shoes.

Store and Office Displays Our own retail stores have large requirements for display cases and fixtures. We meet our own requirements through our General Products Company. With 30,000 square feet of space, it also manufactures similar products for stores and offices of other companies.

Our Own Shoe Boxes For economy and efficiency, we manufacture most of the shoe boxes and cartons used in our business. Our Capitol Container Company has a box-making plant in Nashville and in Tullahoma, Tenn.

General Wax Industries, another subsidiary, manufactures much of the polishes, stains, cements and chemicals used by General Shoe. Likewise we supply our plants in Mexico, Peru and Israel.

Heels for Women's Shoes Our Centennial Heel Company covers and finishes all the heels that are required for our women's shoes.

181,000 SQUARE FEET were made available for warehousing and for a processing terminal for raw materials and finished shoes, when this modern building was erected last summer. It is located in Fayetteville, Tenn., a central point for serving all manufacturing plants, and for shipping out shoes to customers.

Associated and Affiliated Companies

In the foregoing three pages, we have described manufacturing plants and subsidiary companies which we wholly own and operate.

MEXICAN MEN AND MODERN MACHINERY are making good shoes in this Mexico City plant. We have been associated in this enterprise for ten years.

Plus these, we carry on extensive business through these associated and affiliated companies:

LIMA, Peru —Fabrica Nacional de Calzado "El Triunfo," S. A.

MEXICO CITY, Mexico—Fabrica de Zapatos Eclipse, S. A. de C. V.

JERUSALEM, Israel—The Jerusalem Shoe Corporation, Limited

QUEBEC, Canada —The John Ritchie Company, Limited

NORTHAMPTON, England—George Webb and Sons, Limited

VIENNA, Austria —Schuhfabrik Wilhelm Guiard and Company

AUCKLAND, New Zealand —Gadabouts, Limited

WINDSOR MILLS (Province of Quebec) Canada—Prospect Shoes, Limited

IN LIMA, PERU, people like these are making men's, women's and children's shoes under our direction. We also operate several retail shoe stores in Lima.

Our Lima company makes a broad line of men's women's and children's shoes, and operates several retail stores.

In Mexico City we have been manufacturing and selling men's and women's shoes for ten years.

Working with the economic-industrial builders of Israel, our associate company in Jerusalem has attracted world interest.

The other companies shown in the listing on this page are associates who manufacture and distribute shoes with our brand names in Canada, England, Austria and New Zealand.

PEOPLE OF MANY NATIONS banded together to learn shoemaking in this Jerusalem plant. The plant was built and its people trained by men sent from General Shoe.

Export Business With *Foreign Lands*

THE JARMAN NAME dominates this street scene outside Roque Gonzales & Co., a progressive dealer of ours in San Juan, Puerto Rico.

SMILING MR. D. Y. LAU stands in front of his Kamehameha Avenue store in Hilo, Hawaii, and proudly shares this picture with his good Jarman customer, native Hawaiian Harry Stebiert.

Every year our export-import business widens out to include new countries.

Today we export our products to 25 foreign countries. Our shoes and other products are sold in Cuba, Hawaii, Puerto Rico, Haiti, Aruba, Netherlands West Indies, Alaska, Panama, Curacao, Netherlands West Indies; Hong Kong, Philippines, Canada, Mexico, Honduras, Bermuda, Costa Rica, Guam, Dominican Republican, Guatemala, Japan, Switzerland, Siam (Thailand), Iran, Strait Settlements, Peru and Israel.

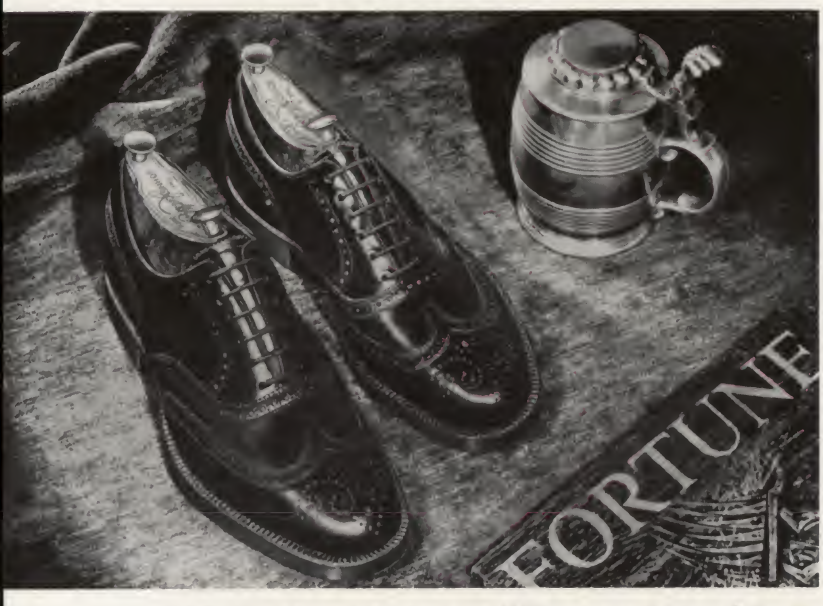
Army and Navy Overseas Exchanges in numerous countries are good customers of ours.

General Shoe Intercontinental Company is the operating division which handles all foreign trade.

TWO GENTLEMEN OF HONG KONG get fitted for Jarmans in the Wing On Company, Ltd. The customers are Messrs. K. C. Loh and P. Gockchin, prominent business men of Hong Kong.

Distribution of Products

Through Specialized Sales Effort



Nearly all American Presidents since 1850 have worn Johnston & Murphy shoes. We purchased this company in 1951. It now becomes one of the sales divisions listed on this page. J & M's master craftsmen will continue to make these shoes in their Newark plant.

On one page in this report we show pictures of all the brand-name shoes which we manufacture.

This page tells how these shoes are distributed.

General Shoe has 12 separate sales divisions and subsidiaries. They are:

BELLWOOD SHOE COMPANY
CEDAR-CREST SHOE COMPANY
DOMINION SHOE COMPANY
W. L. DOUGLAS SHOE COMPANY
EDGEWOOD-STORYBOOK SHOE COMPANY
FAMILY SHOE SUPPLY COMPANY
FORTUNET SHOE COMPANY
FRIENDLY-ACROBAT SHOE COMPANY
JARMAN SHOE COMPANY
JOHNSTON & MURPHY COMPANY
REPUBLIC SHOE COMPANY
RICHLAND-DAVIDSON SHOE COMPANY

Our company believes that by specialized sales effort we can better serve our several thousand dealer-customers. Consequently these sales divisions are set up to handle distinct brands and types of shoes.

Independent Retail Dealers

Most of our customers are the independent shoe retailers. Their thousands of stores sell our men's women's and children's shoes in their stores all over America. These range from the famous name stores of metropolitan cities to the popular merchant on Main Street.

Volume Accounts

Among our most important customers are the country's biggest chain store and mail order concerns. These companies order shoes to their own specifications and we manufacture them. Such shoes are sold under brand names given them by our volume customers.

Special Franchise Stores

Distribution of our shoes is growing steadily through our Friendly Franchise Store Plan Division. More than 115 stores now carry exclusively the footwear lines made by our Company. In return we provide a financing and merchandising service.

General Shoe has become an authorized manufacturer for official Boy Scout shoes. Hundreds of our established outlets now sell this popular boys' shoe.

. . . . . .

GENERAL RETAIL
Nation-Wide Retail Store Operations

There is a nation-wide distribution of our shoes through the six groups of retail stores which we own and operate. There are 273 of these stores.

These are known as Jarman, Flagg Bros., Hardy and Douglas stores, selling men's shoes, and Holiday and Nisley, women's shoe stores.

Locations of these widely patronized stores are shown on Pages 20-21 of this report. Most of them are in the metropolitan sections.

Specialization is employed in this division as in all of our distribution. A separate division of the company handles all these retail operations. It is set up as a corporation and has its president and staff of other officers. Each of the six groups of stores likewise specializes through separate personnel, management, products and prices.

SAMPLES of new rubber footwear we are to make for men, women and children.

New Rubber Footwear Division

We have launched plans to manufacture men's women's and children's canvas shoes with vulcanized foam rubber soles for casual wear. They have highly interesting possibilities, with great improvement over other canvas shoes, in style, color and comfort.

Several of our nationally-known branded lines will sponsor this new footwear. The men's and women's shoes will retail for about $5 and $6, and the children's at $3.95.

Advertising

Our men's shoes continue to be among the country's top leaders in colorful use of national magazine advertising. Read our Jarman ads in Life, Saturday Evening Post, Esquire and Holiday. See our Fortune shoe ads in Look, Esquire and Sport. Watch the W. L. Douglas name in Life advertising. Millions are attracted to General shoes through these pages. Large audiences in many states listen to Cowboy Copas and his Grand Ole Opry cast every Saturday as they broadcast for Cedar-Crest work shoes.

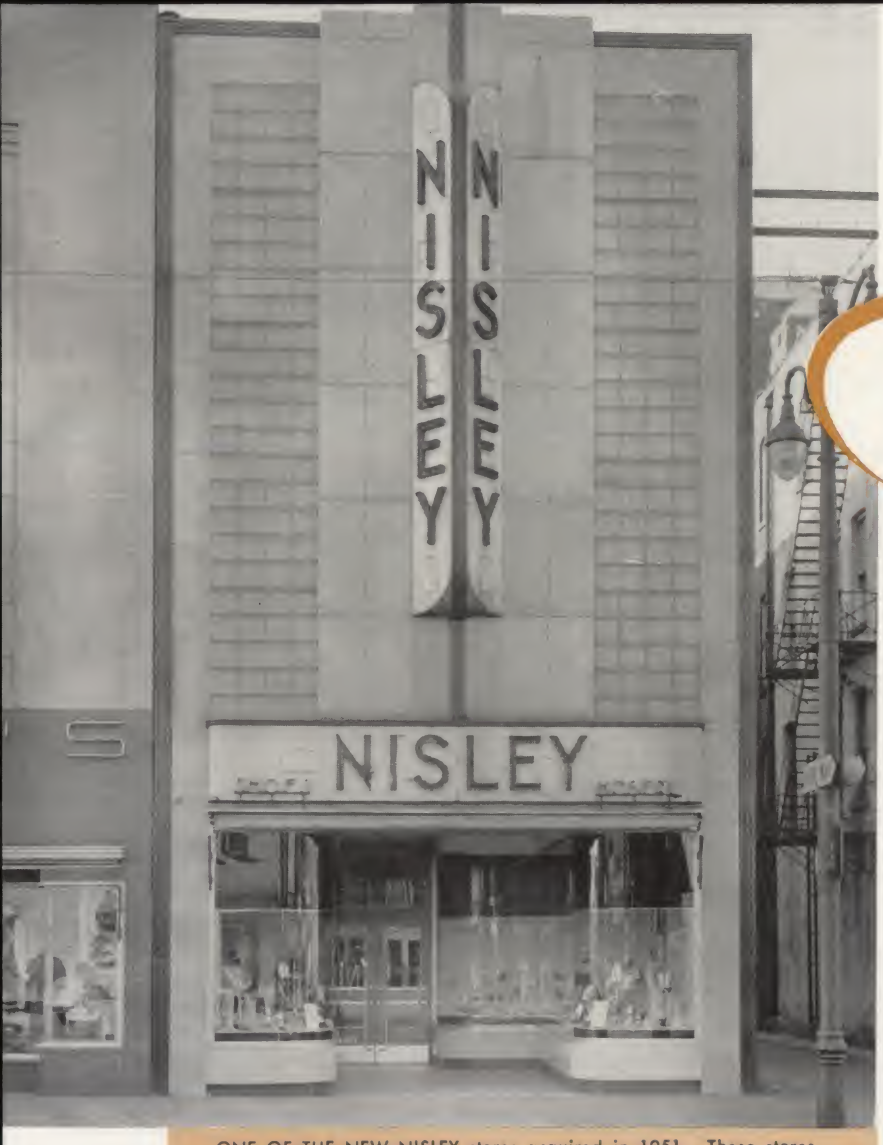
SMART SPORT CLOTHES by Jantzen and smart shoes and matching bags by General. This combination now has gone into leading sportswear stores all over America. We are designing and making very colorful shoes and bags for many types of sportswear which they have made famous. These models show how the Jantzen-General Shoe combination will look in hundreds of sportswear shops.

Similarly, the story of our women's shoes is told through such national magazines as Harper's Bazaar, Parents' Magazine, Seventeen and Vogue. Two television shows, "Acrobat Ranch" for Acrobat children's shoes, and one by Betty Betz, advisor to teen-age girls, for our growing misses shoes were used during the year.

Shoes for the Military

Here are samples of the shoes we have been busy making for the Government this year. Total: 1,574,675 pairs. Of these, 799,106 pairs were combat boots; 438,900 garrison shoes; 282,246 service shoes; 13,035 Navy oxfords, and 41,388 pairs of safety toe shoes.

A Government inspector is shown examining these shoes.



ONE OF THE NEW NISLEY stores acquired in 1951. These stores sell women's style shoes. This one is in Niagara Falls, New York.

Nisley...

Name added to list of General Shoe Retail Stores

NISLEY

Akron
Atlanta
Baltimore
Birmingham
Canton, Ohio
Charleston
Charlotte
Chicago (2)
Cincinnati
Cleveland (2)
Columbus, Ohio
Detroit
East Liberty, Pa.
Erie, Pa.
Evanston, Ill.
Grand Rapids
Highland Park, Mich.
Hollywood
Huntington, W. Va.
Indianapolis
Kansas City, Mo.
Lexington, Ky.
Long Beach
Louisville
Memphis
Niagara Falls
Omaha
Peoria
Pittsburgh
Pontiac, Mich.
Roanoke
Rochester
San Antonio
San Diego
Santa Monica
South Bend
Toledo
Utica, N. Y.
Washington, D. C.
Wilkes Barre
Wilmington, Del.
Youngstown, Ohio

HOLIDAY

Atlanta
Baltimore
Birmingham
Chattanooga
Cincinnati
Cleveland
Columbus, Ohio
Dallas
Dayton
Detroit
Denver
Fort Worth
Jacksonville
Kansas City, Mo.
Louisville
Memphis
Nashville
Oklahoma City

FLAGG

Akron
Atlanta
Baltimore
Birmingham
Boston (2)
Bridgeport
Brooklyn (3)
Buffalo
Chicago (3)
Cincinnati
Cleveland
Columbus
Dallas
Dayton
Detroit (4)
Duluth, Minn.
Elizabeth, N. J.
Grand Rapids
Hackensack, N. J.
Harrisburg, Pa.
Hartford
Houston

TYPICAL JARMAN STORE. This is one of the best-known brand names in men's shoes in the country. This attractive store is in Long Beach, California.

THE DOUGLAS NAME in men's shoes holds its popularity throughout the country. Stores like this one in Highland Park, Michigan, typify the modernizing that we have done with this division.

Huntington Park, Cal.
Indianapolis
Jamaica, N. Y.
Jersey City
Kansas City, Mo.
Long Beach
Los Angeles (2)
Louisville
Memphis
Milwaukee
Minneapolis (2)
Nashville
Newark (2)
New Haven, Conn.
New York (7)
Pasadena
Passaic, N. J.
Paterson, N. J.
Philadelphia (6)
Pittsburgh
Reading, Pa.
Rochester
Salt Lake City
St. Louis (2)
St. Paul
Syracuse
Toledo
Trenton, N. J.
Tulsa
Upper Darby, Pa.
Washington, D. C. (2)
Wilkes Barre, Pa.
Wilmington, Del.

HARDY

Atlanta (2)
Baltimore
Birmingham
Buffalo
Chattanooga
Chicago (2)
Cincinnati
Cleveland
Corpus Christi
Dallas (3)
Dayton
Detroit (4)
Evansville
Fort Wayne
Fort Worth
Highland Park, Mich.
Houston
Jackson, Miss.
Knoxville
Little Rock
Long Beach
Los Angeles (3)
Louisville
Memphis
Minneapolis
Mobile
Nashville
New Orleans
Norfolk
Philadelphia (2)
Pittsburgh
Port Arthur
Richmond
Rockford, Ill.
San Antonio
San Francisco
Savannah
Shreveport
St. Louis (2)
Upper Darby
Washington, D. C.
Wheeling, W. Va.
Winston-Salem

DOUGLAS

Akron
Albany
Atlanta
Beaumont
Birmingham
Boston (3)
Bridgeport
Brooklyn
Camden
Cincinnati
Columbus, Ohio
Dallas
Dayton
Dearborn, Mich.
Decatur
Detroit (4)
E. St. Louis, Ill.
Flint, Mich.
Fort Worth
Hartford
Hoboken, N. J.
Houston
Jamaica
Kansas City, Mo. (2)
Louisville
Newark
New Haven
New Orleans
New York
Pawtucket, R. I.
Orange, N. J.
Paterson, N. J.
Philadelphia (3)
Pittsburgh (2)
Portland, Maine
Quincy, Ill.
San Antonio
South Bend
Toledo
Troy, N. Y.
Washington, D. C.
W. New York, N. J.
White Plains, N. Y.
Worcester, Mass.
Yonkers, N. Y.

JARMAN

Atlanta
Birmingham
Boston
Chicago (4)
Cincinnati
Cleveland
Columbus
Dallas
Detroit
Kansas City, Mo.
Long Beach
Los Angeles
Louisville
Memphis
Milwaukee
Minneapolis
Nashville
Norfolk
Philadelphia
San Francisco
St. Louis
Tulsa

FLAGG BROS. STORES are known throughout the country for their attractive store fronts, and for the kind of shoes that are popular with young men. This one is in Nashville.

HARDY STORES like this one in Chicago sell men's shoes in the thrift-price range.

ATTRACTIVE HOLIDAY STORES such as this one in Cleveland, Ohio, sell women's shoes in the medium price field.

The Shoes We Make...

MEN'S AND BOYS'

Jarman
SHOES FOR MEN

THE JOHNSTON & MURPHY SHOE

Fortune
SHOES FOR MEN

STATLER
SUPER Service Shoes

Davidson

Cedar-Crest
SERVICE SHOES
EXTRA LONG WEAR WITH COMFORT TO SPARE

CADILLAC
Shoes for Men

Kingston

SENTRY
SAFETY SHOES
"Guarding Your Safety"

W.L. Douglas
SHOES FOR MEN

Treasure Chest
SHOES FOR BOYS

Skyrider
SHOES FOR BOYS

Crestworth
Shoes for Men and Boys

Official
BOY SCOUT SHOES

Women's Shoes
Children's Shoes

Fortunet

VALENTINES
Fortunes give Love

Friendly
Shoes for Girls Going Places

Twenty-ones
EVERY STEP A CARESS

Vogue Shoes

Acrobat
SHOES FOR BOYS AND GIRLS

THRIFTY
Storybook

Value-bilt

PLAY PALS

About People...

The People In Our Business

We have watched our family grow year by year for these 27 years. Now we number about 10,000.

Once we made all our shoes under one roof. Today the roof tops are many. To visit all our people is an interstate journey, from Tennessee to Alabama, Georgia and Kentucky; up to Michigan, over to New Jersey and to foreign countries. To visit all the people who run our 273 retail stores alone would keep one person traveling two-thirds of the year.

Shoemaking, with us, always has meant about half women and half men workers. They are shoemakers who work year-round under a company slogan that says "Good Workmanship is Good For *You*."

Hundreds of these men and women have service records that go back nearly to the founding of the company in 1924. Our 19 directors have service records that average 20 years each. The average age of these board members is 49.

Our organization chart shows that we operate under a plan of decentralization. This continues each year in the direction of having every plant superintendent, every sales company manager and the head of every other unit to operate as though it were his own business.

We are constantly modernizing our organization. We are constantly reviewing and improving employee relations policies so that our people can feel that General Shoe management has their own well-being more at heart than any union, governmental agency or any one else.

In pay, pensions, paid holidays, vacations, insurance coverage and other such benefits, General Shoe employees have advantages equal to those offered by any company in the shoe industry. Actually, some of our biggest competitors are still announcing employee benefits that will bring theirs closer to our own.

General Shoe employees with service of five years or more now have guaranteed annual employment.

The People Who Provide the Money

Our stockholders grow in number every year, also. Here's how they have increased for the past ten years:

1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
2,857	3,207	3,254	3,364	3,696	3,982	4,201	4,380	5,693	5,837

Tennessee, perhaps naturally, claims the largest number of these stockholders—1,852. They own 407,962 shares. Missouri, home of some of our biggest competitor companies, has 635 General Shoe stockholders owning 66,951 shares. New York state has 579 shareholders and they own 57,230 shares. The others live in nearly all the rest of the states.

The "typical" General Shoe stockholder continues to be one who owns less than 100 shares. In fact 75 per cent of all are in the class who own 5 to 25 shares, or 25 to 100 shares. It is still true that no person owns as much as 5 per cent of the outstanding shares of our common stock.

Now, nearly 100 per cent of all the supervisory employees of our company own a part of it. Every company director has substantial holdings.

BEING GOOD CITIZENS, along with being good shoe people, is a General Shoe goal. They combine in this picture, with Chairman Maxey Jarman, our chief executive, honoring a plant that gave 100 per cent blood donations to the Red Cross.

TYPICAL STOCKHOLDER of General Shoe is Ridgeway, Iowa's Rev. Martin B. Quill, pastor of the Madison and Lincoln Lutheran Parish. Three-fourths of our stockholders own less than 100 shares each. Ridgeway's minister is among those.

General Shoe Corporation

NASHVILLE, TENNESSEE

Directors

General Shoe Corporation:

William M. Blackie
Henry W. Boyd, Jr.
Jack R. Braden
Sam A. Buchanan
Earle T. Bumpous
Candler W. Butler, Sr.
H. Nelson Carmichael
Noble C. Caudill
Charles W. Cook
W. Maxey Jarman
J. Harlan Lawson
J. Richard McCollum
George W. Noland
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
William H. Wemyss
Matt S. Wigginton
Otis C. Williams

Officers

General Shoe Corporation:

W. Maxey Jarman	*Chairman*	Matt S. Wigginton	*Vice-President*
Henry W. Boyd, Jr.	*President*	H. Nelson Carmichael	*Vice-President*
William H. Wemyss	*Exec. Vice-President*	Otis C. Williams	*Controller*
J. Harlan Lawson	*General Manager*	E. DeVaughn Woods	*Auditor*
William M. Blackie	*Vice-President*	Candler W. Butler, Jr.	*Asst. Vice-President*
James P. Saunders	*Vice-Pres. and Sec.*	T. Douglas Oxford	*Asst. Treasurer*
Noble C. Caudill	*Vice-Pres. and Treas.*	Carl E. Stephens	*Asst. Secretary*

General Shoe Sales Corporation:

Henry W. Boyd, Jr.	*President*	Ben H. Willingham	*Vice-President*
Matt S. Wigginton	*Exec. Vice-President*	Charles W. Cook	*Vice-President*
Earle T. Bumpous	*Vice-President*	Charles R. Murphy	*Asst. Vice-President*
George W. Noland	*Vice-President*	James W. Byron	*Asst. Vice-President*
Houghton D. Vaughn	*Vice-President*	Willard W. Sledge	*Secretary*
Jack R. Braden	*Vice-President*		

General Retail Corporation:

William M. Blackie	*President*	Gerald O. Petway	*Vice-President*
J. Richard McCollum	*Exec. Vice-President*	Parks C. Runyon	*Vice-President*
Billy P. Weisiger	*Vice-President*	William A. Givan	*Secretary*
Felix M. Weisiger	*Vice-President*	Willard W. Sledge	*Treasurer*
Earl L. Britain	*Vice-President*	John A. Meadors	*Asst. Secretary*

TRANSFER AGENTS: (Common stock) Guaranty Trust Company of New York, New York, and American National Bank, Nashville, Tennessee.
(Preferred stock) Third National Bank, Nashville, Tennessee.
(Preference stock) Guaranty Trust Company of New York, New York.

REGISTRARS: (Common stock) Chemical Bank and Trust Company, New York, New York, and Nashville Trust Company, Nashville, Tenn.
(Preferred stock) Third National Bank, Nashville, Tennessee.
(Preference stock) Chemical Bank and Trust Company, New York, New York.

Annual Meeting of Stockholders: March 3, 1952.